

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission	:	
On Its Own Motion	:	
-vs-	:	
Commonwealth Edison Company	:	
	:	
Proceeding pursuant to Section 16-	:	00-0244
111(g) of the Public Utilities Act con-	:	
cerning proposed transfer of	:	
generating assets and wholesale	:	
marketing business and entry into	:	
related agreements.	:	

ORDER

By the Commission:

On March 16, 2000, Commonwealth Edison Company (ComEd) filed with the Commission a notice, pursuant to Section 16-111(g) of the Public Utilities Act, that it intends to transfer to an affiliate ("Exelon Genco") all of its nuclear electric generating assets ("Nuclear Stations"), together with certain assets and obligations, and its wholesale marketing business, including any and all real property used to conduct that business. According to the notice, Commonwealth Edison is transferring the following generating facilities:

Braidwood Station
Byron Station
Dresden Station
LaSalle County Station
Quad Cities Station
Zion Station

As detailed in a Staff Report dated March 23, 2000, the stations comprise approximately 52% of the net dependable generating capacity of the respondent as of December 16, 1997, the effective date of P.A. 90-561, which added Article XVI to the Public Utilities Act. Under the terms of a previous notice and proceeding under Section 16-111(g)(vi) of the Public Utilities Act, the Commission has already approved ComEd's sale of approximately 41% of its net dependable generating capacity, consisting of a number of fossil fuel fired generating facilities. See, Illinois Commerce Commission Docket No. 99-0292.

Section 16-111(g)(vi) of the Public Utilities Act [220 ILCS 5/16-111(g)(vi)] provides in relevant part:

(vi) In addition, if the electric utility proposes to sell, assign, or lease... an amount of generating plant that brings the amount of net dependable generating capacity transferred pursuant to this subsection to an amount equal to or greater than 15% of its net dependable capacity on the effective date of this amendatory Act of 1997...the electric utility shall provide, in addition to the information listed in subparagraphs (i) through (v), the following information: (A) a description of how the electric utility will meet its service obligations under this Act in a safe and reliable manner and (B) the electric utility's projected earned rate of return on common equity, calculated in accordance with subsection (d) of this Section, for each year from the date of the notice through December 31, 2004 both with and without the proposed transaction. If the Commission has not issued an order initiating a hearing on the proposed transaction within 30 days after the date the electric utility's notice is filed, the transaction shall be deemed approved. The Commission may, after notice and hearing, prohibit the proposed transaction if it makes either or both of the following findings: (1) that the proposed transaction will render the electric utility unable to provide its tariffed services in a safe and reliable manner, or (2) that there is a strong likelihood that consummation of the proposed transaction will result in the electric utility being entitled to request an increase in its base rates during the mandatory transition period pursuant to subsection (d) of this Section. Any hearing initiated by the Commission into the proposed transaction shall be completed, and the Commission's final order approving or prohibiting the proposed transaction shall be entered, within 90 days after the date the electric utility's notice was filed.

The Commission, being fully advised in the premises, is of the opinion and finds that:

- (1) Commonwealth Edison Company is a public utility, as defined in Section 3-105 of the Public Utilities Act, that has a franchise, license, permit or right to furnish or sell electricity to retail customers within a service area;
- (2) the Commission has jurisdiction over respondent and the subject matter of this proceeding;
- (3) the materials filed by respondent on March 16, 2000, notifying the Commission of the intended sale of specified electric generating stations should be made a part of the record of this proceeding;
- (4) the Staff Report dated March 23, 2000, should be made a part of the record of this proceeding:

- (5) the recitals of fact set forth in the prefatory portion of this order are supported by the record and are hereby adopted as findings of fact;
- (6) the Commission should initiate a proceeding pursuant to Section 16-111(g)(vi) of the Public Utilities Act to determine whether the proposed sale of the specified electric generating stations should or should not be prohibited.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that, pursuant to Section 16-111(g)(vi) of the Public Utilities Act, a proceeding is initiated to determine whether the proposed sale of the specified electric generating stations should or should not be prohibited.

IT IS FURTHER ORDERED that Commonwealth Edison Company is made respondent to this proceeding and shall show cause and present evidence why the proposed sale of electric generating stations should not be prohibited.

IT IS FURTHER ORDERED that the prehearing conference for this proceeding is scheduled for 10 a.m. on April 7, 2000, at the Commission's offices at 160 N. LaSalle Street, Chicago, Illinois.

IT IS FURTHER ORDERED that the Chief Clerk serve a copy of this Order on the designated agent of respondent.

IT IS FURTHER ORDERED that the Chief Clerk mail a copy of this Order to those municipalities served in Docket 99-0117 and that respondent notify the Commission within 2 days after the date of this Order of any additions to the list of municipalities within ComEd's "service area," as that term is defined in Section 16-102 of the Public Utilities Act.

IT IS FURTHER ORDERED that the materials filed by respondent on March 16, 2000, notifying the Commission of the intended sale of specified electric generating stations are made a part of the record of this proceeding.

IT IS FURTHER ORDERED that the Staff Report dated March 23, 2000, is made a part of the record of this proceeding.

IT IS FURTHER ORDERED that the failure of the respondent to appear may result in the entry of an order prohibiting the proposed sale and the imposition of civil penalties pursuant to Section 5-202 of the Public Utilities Act.

IT IS FURTHER ORDERED that this Order is not final; it is not subject to the Administrative Review Law.

By Order of the Commission this 28th day of March, 2000.

Chairman